



## **BOND INFORMATION AND INSTRUCTIONS**

**Acceptable bonds for mineral leases include Corporate Surety Bonds, Certificates of Deposit, Letters of Credit, Cash and/or Payments to the Reclamation Fund.**

**1. Corporate Surety Bonds -**

Surety bonds are purchased from a bond or insurance company licensed to do business in Idaho. They must be submitted on an Idaho Department of Lands Surety Bond form. The company issuing the bond must include their bond number and the lease/plan/permit number on the upper right hand corner of the form. The bond must be made payable to the State of Idaho and carry the notarized signature of the surety and signature of the principal.

**2. Certificate of Deposit - Time Deposit Receipt**

Certificates of deposit and time deposit receipts must be issued by a federally insured institution. Certificates and receipts will not be released for re-issuance and should therefore be automatically renewable. The certificate or deposit receipt must be made out to the principal (first) or the Idaho Department of Lands (second), (i.e., "John Doe, et al or Idaho Department of Lands"), in that order. The State retains physical possession of the document. **NOTE only original documents** will be accepted in lieu of bond. The certificate or deposit receipt must be submitted to the Department with a completed, notarized collateral bond form. (If the issuing bank is not located in the State of Idaho or does not have a branch in Idaho, then a jurisdiction agreement must be executed by the bank and returned to the Department of Lands.)

**3. Letters of Credit -**

Letters of credit must be issued by an institution authorized to do business in the State of Idaho or through a confirming bank authorized to do business in the State of Idaho which engages that it will itself honor the credit in full. As an alternative, a foreign bank may execute or consent to jurisdiction of Idaho courts on a form prescribed by the Idaho Department of Lands. Wording of the credit document must provide for presentation at a bank in the State of Idaho. The account party on all credits must be identical to the entity identified on the lease, permit or plan. The credit document must exactly follow the wording of the enclosed sample. A Certificate of Secretary (see sample) must always accompany a letter of credit. In addition, the letter of credit must be submitted with a completed, notarized collateral bond form. (If the issuing bank is not located in the State of Idaho or does not have a branch in Idaho, then a jurisdiction agreement must be executed by the bank and returned to the Department of Lands.)

**4. Cash -**

An operator or lessee may submit a cash bond to be held by the Idaho Department of Lands. Interest does not accrue on cash bonds. Cash bonds must be accompanied by a completed, notarized collateral bond form.

**5. Reclamation Fund Payment –**

A lessee may be required to submit an annual payment to the Reclamation Fund in lieu of one of the four bonds mentioned above. This payment is non-refundable. The payment must be submitted along with a signed Acknowledgement Form.

**\*\*\*PLEASE NOTE: ALL CERTIFICATES OF DEPOSIT, TIME DEPOSIT RECEIPTS, LETTERS OF CREDIT AND CASH BONDS MUST BE ACCOMPANIED BY A COMPLETED COLLATERAL BOND FORM. THE BONDING REQUIREMENT IS NOT COMPLETE WITHOUT THE COLLATERAL BOND FORM.**